

Mayor Reed's June Budget Message Fact Sheet

On June 4, Mayor Reed released his June Budget Message which outlines a plan to balance the city budget while preserving neighborhood services like libraries and community centers. Included below is a summary of the key elements of Mayor Reed's plan. To read the entire budget message, please visit:

http://www.sanjoseca.gov/mayor/news/memos/10June/JuneBudgetMessage_06042010.pdf

Budget Background

The city is facing a record \$118 million budget deficit in the fiscal year beginning July 1, 2010. In May, the City Manager released a proposed budget that closed this gap by increasing revenues and making deep cuts to key city services. This included laying off police officers, reducing the number of fire engine companies, shutting down community centers and slashing library hours. Altogether, more than 800 positions were recommended for elimination.

Mayor Reed's Budget Proposal

Mayor Reed's plan restores a number of these services that were slated to be eliminated in the City Manager's proposed operating budget. This includes:

- Restoring branch library hours to 4.5 days per week;
- Keeping open 22 community centers that were slated for closure in the City Manager's proposed operating budget; and
- Increasing funding for the city's crossing guard, park ranger and anti-graffiti programs.

Mayor Reed has proposed funding these services with a 10% reduction in pay and benefits for employee groups with open contracts. These concessions, totaling \$7.7 million in General Fund savings, will provide most of the money needed to restore the services listed above.

Without these concessions, the City will not have the funding needed to restore library hours, park rangers and anti-graffiti programs. The city would also only be able to keep six of the city's 22 neighborhood and satellite community centers open.

The Mayor's budget also frees up additional money by cutting the Mayor's and City Council's budgets, allocating money from the Essential Services Preservation Fund and transferring money from other low-priority funds and purposes. In addition, the Mayor's budget minimizes layoffs of police officers.

Restoring Other City Services

Mayor Reed's Budget Message outlines a number of other key services that can be saved if the city's remaining employee unions agree to concessions. However, the city cannot impose a reduction in compensation for these employee groups because they either a) have an existing contract in place, or b) have the option of going to binding arbitration.

Public Safety Services

Mayor Reed's budget proposal commits that any savings from concessions by the San José police and fire unions be used to avoid laying off police officers and firefighters. As a result, a 10% reduction in compensation from these employees would save 144 positions in the Police Department and 85 positions in the Fire Departments, including:

- 79 SJPD Patrol Officers
- The Police's Metro Unit and Downtown Service Unit
- Fire Truck Company 3
- 5 Fire Department Engine Companies

Non Public Safety Services

Concessions from the city's remaining employees represented by the Municipal Employees Federation and the Confidential Employees Organization (who currently have closed contracts) could generate significant additional funds to save important services. Mayor Reed's budget would allocate these potential savings to:

- Restore 8 additional hours/week of branch library service;
- Maintain existing service levels at Dr. Martin Luther King Library; and
- Fund library homework centers, neighborhood traffic calming, pavement resurfacing and sealing, and many other core services.

What Happens Next?

The City Council will hold a public hearing on Monday, June 14 at 7 p.m. to allow residents to share their opinions on Mayor Reed's budget proposal. On June 15, the City Council will consider reducing pay and benefits for seven employee groups and then vote on the Mayor's budget plan. Then on June 22, the City Council will adopt a final operating budget for the 2010-2011 Fiscal Year.

Make sure your voice is heard. Please contact your City Councilmember to let them know what you think about Mayor Reed's budget plan. You can send an e-mail from the Mayor's website: <http://www.sanjoseca.gov/mayor/news/share/email1.asp>. Full contact info for the San José City Council can also be found at: <http://www.sanjoseca.gov/council.asp>.

For questions on Mayor Reed's budget plan or the City of San José's budget process, please contact the Office of Mayor Chuck Reed at (408) 535-4800 or mayoremail@sanjoseca.gov. You can also visit the Mayor's website at www.sanjoseca.gov/mayor.